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# Counterspy Effort Called Inadequate

## Report Says U.S. Lost Billions to Espionage

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The Senate Select Committee on Intelligence said yesterday that recently exposed spy cases have caused damage "far greater than anyone in the U.S. government has yet acknowledged publicly" involving "billions of dollars of actual and potential damage to U.S. military programs." But, the committee said, the U.S. government still has a totally inadequate counterintelligence program to combat "expanding hostile intelligence operations" against this country.

In a 141-page report on U.S. counterintelligence and security programs, the committee said the government's intelligence agencies, with differing missions and needs, are refusing to cooperate fully with each other.

"Our committee found a security system paralyzed by bureaucratic inertia, with little ability to bridge the gaps between agencies or between different security disciplines like personnel security and computer security," Sen. David F. Durenberger (R-Minn.), the committee chairman, said.

There are "too many secrets, too much access to secrets, too many spies . . . and too little effort given to combatting the very real threat which spies represent to our national security," he said.

The report called upon the Reagan administration to draw up a "national counterintelligence strategy" that would establish national objectives and integrate the planning and resources of the various agencies involved in counterintelligence. It suggested that the National Security Council, which operates an Interagency Group for Counterintelligence under Federal Bureau of Investigation Director William H. Webster, be given responsibility for devising and carrying out the strategy.

The committee carried out its 16-month review in cooperation with the administration, which is expected to release its report next week and to include many of the same recommendations, Durenberger said.

One of the committee report's main findings was that the existing system of classifying documents was "unduly complicated" and "breeds cynicism and confusion."

As an example, one source cited the attempt by Central Intelligence Agency Director William J. Casey to keep the committee report from being made public, even after interagency approval, on grounds that too much information on the U.S. counterintelligence structure would be given to the Soviets. Only following prolonged negotiations between the committee and Casey was an agreement reached for its release, the source said.

The committee also said that the current practice of authorized administration disclosures and "leaks" are "so commonplace as to imperil many sensitive programs and operations."

The committee called on the administration to develop a procedure governing authorized leaks to reporters, "thus relieving the FBI of the need to investigate cases that are not real leaks."

The report also proposed that the security classification of "confidential" be eliminated, with all information labeled either "secret" or the equivalent of "sensitive compartmented information," a category currently used for material collected by various secret methods such as photographic satellites and electronic interceptors.

The committee study was particularly critical of the administration's failure to periodically review and investigate individuals with access to highly classified information. One committee source noted that this was a problem common to most of the espionage incidents that emerged last year, giving as notable examples the cases of Jonathan Jay Pollard, who provided classified documents to Israel, and John A. Walker Jr., who ran a spy ring in the Navy for 18 years.

The committee report, pointing out the losses caused by Walker and Edward Lee Howard, a former CIA agent who defected to the Soviet Union, also argued that more care should be taken with individuals who leave government service after having had access to highly classified information. The administration "should consider requiring as a precondition for clearance" an agreement by individuals that would allow "access to relevant financial and foreign travel records" for several years following departure from government service, the committee said.